

# GRANADA SANITARY DISTRICT

OF SAN MATEO COUNTY

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## MINUTES BOARD OF DIRECTORS MEETING July 17, 2003

**CALL SPECIAL MEETING TO ORDER:** The Regular Meeting of the Board of Directors of the Granada Sanitary District was called to order at 7:41 p.m.

**ROLL CALL:** Attending Directors were: President Bill Katke, Vice President Leonard Woren, Secretary Fran Pollard, Treasurer Laura Stein, and Board Member Shawn McGraw.

Attending Staff were: General Manager Chuck Duffy, District Administrator Gina Holmes, Assistant District Administrator Delia Comito, and Legal Counsel Jonathan Wittwer.

**GENERAL PUBLIC PARTICIPATION:**  
There were no speakers from the public.

### **SPECIAL ACTION ITEMS**

1. PUBLIC HEARING: Adopting Sewer Service Charge report for 2003-2004 Fiscal Year (FY) and Delinquent Garbage Service Charge Report for 2002-2003 FY, and Authorizing Collection of said Charges on the San Mateo County Tax Roll.

President Katke opened the Public Hearing. District Administrator Gina Holmes indicated that the notice of the Public Hearing had been published in the Half Moon Bay Review for two weeks prior to this meeting. There were no written or oral comments. President Katke closed the Public Hearing.

**Director Stein moved to adopt the Sewer Service Charge Report for 2003-2004 Fiscal Year (FY) and Delinquent Garbage Service Charge Report for 2002-2003 FY, and Authorizing Collection of said Charges on the San Mateo County Tax Roll. (Stein/Woren) Approved 5-0.**

2. Public Hearing: Consider a Resolution Ordering Changes and Modifications: Granada Sanitary District Sewage Treatment Facility Improvements Integrated Finance District.

President Katke opened the Public Hearing. There were no written or oral comments. President Katke closed the Public Hearing.

Director Woren read the following from the previous board meeting minutes as an explanation of the purpose of this agenda item. " *Among the purposes of the District in effecting changes and modifications to the Assessment District governing documents are the following: (1) to shift the funding of the acquisition of Noncontingent Assessments from the District to the Financing District; and (2) to arrange for the reimbursement of District funds advanced to the Assessment District during the formation. If approved, changes to*

*the governing documents would be implemented at the closing of refinancing of the improvement bond.*” General manager Chuck Duffy then provided an overview of this and the following twelve Action Agenda items, all of which are necessary proceedings for the refunding of the Assessment District bond. He stated that the Assessment District’s ratepayers will save an estimated \$900,000 over the life of the bond with this refunding.

The Board held a general discussion. Legal Counsel Jonathan Wittwer and Assessment District Bond Counsel Jerry Laster discussed and recommended a wording change under Section 3. Transactions in Noncontingent Assessments, (a)(i)(D) and (a)(ii)(C), to the following general effect.

*“ Should the circumstances evidence the...potential capability of the Parcel for current or future development, the request will be given heightened scrutiny, placing the burden on the owner to evidence that the Parcel cannot develop in accordance with any Contingencies, so that the Noncontingent Assessment, or portion requested to be acquired will not be needed by the Parcel for present or future development. With the assent of the District Board, in appropriate circumstances an owner who has taken all reasonable steps to obtain a determination that such Contingencies cannot occur, may be permitted to satisfy this burden by recording an irrevocable binding restriction with regard to such development of the Parcel.”*

Bond Counsel Jerry Laster indicated that the proposed change should be included in this Action Agenda Item (#2) and the following Action Agenda item (#3).

**Director Stein moved to approve the Resolution Ordering Changes and Modifications: Granada Sanitary District Sewage Treatment Facility Improvements Integrated Finance District, with the change recommended above by District Legal Counsel and Agreed to by Assessment District Bond Counsel. (Res. 2003-006) (Stein/Woren) 5-0.**

**The Final version of Res.2003-006 is to be provided to the Board with all blanks filled in.**

### **ACTION AGENDA**

3. Consider An Ordinance Amending and Restating Ordinance No. 104, An Ordinance Prescribing Procedures for Determining Occurrences of Contingencies Respecting Contingent Assessments, for Computing the Amounts thereof and the Times When Due and Payable, for Notifying landowners When Due and Payable and for the Collection of Such Amounts; Prescribing Penalties for Nonpayment and Providing for the Collection of such Penalties; Prescribing Procedures Relating to Transactions in Non- Contingent Assessments, Establishing Prices for Such Transactions and Providing for the Collection or Payment of Such Amounts; and Providing for the Use of All Collected Funds.

Mr. Duffy asked the consultants in attendance who participated in the bond refunding to introduce themselves to the Board. They did so as follows: Dan Cox, Financial Advisor, Kelling, Northcross & Nobriga

Katherine Koster, underwriter, O'Connor SWS Securities  
Rick Clark, Reassessment Engineer, NBS Gov. Fiance Group  
Larry Jensen, Disclosure Counsel, Nixon Peabody LLP  
G.A. Laster, District Bond Counsel

After the introductions and brief explanation of each person's role in the refunding, Mr. Duffy recapped the primary changes and benefits affected by the bond refunding:

- ✓ Bond principal at approximately 6.1 million;
- ✓ Expiration date of the bonds to remain the same;
- ✓ Reduced average interest rate from approximately 7% to 5.75%;
- ✓ Lowered interest rate reduces the annual assessment paid by property owners, creating savings of approximately \$35.00 per year per assessed capacity unit

**Director Stein moved to approve an Ordinance Amending and Restating Ordinance No. 104, An Ordinance Prescribing Procedures for Determining Occurrences of Contingencies Respecting Contingent Assessments, for Computing the Amounts thereof and the Times When Due and Payable, for Notifying landowners When Due and Payable and for the Collection of Such Amounts; Prescribing Penalties for Nonpayment and Providing for the Collection of such Penalties; Prescribing Procedures Relating to Transactions in Non- Contingent Assessments, Establishing Prices for Such Transactions and Providing for the Collection or Payment of Such Amounts; and Providing for the Use of All Collected Funds, with modifications stated under Agenda Item #2. (Ord. No. 153) (Stein/Woren) Approved 5-0.**

**The final version of Ord. No. 153 is to be provided to the Board with all blanks filled in.**

4. Consider a Resolution Appointing a Disclosure Counsel and a Financial Advisor and Authorizing Their Respective Services, and Confirming a Bond Counsel and Engineer of Work.

**Director Woren moved to approve a Resolution Appointing a Disclosure Counsel and a Financial Advisor and Authorizing Their Respective Services, and Confirming a Bond Counsel and Engineer of Work. (Res. 2003-007) (Woren/McGraw) Approved 5-0.**

5. Consider a Resolution of Intention to Refund Improvement Bonds and Levy Reassessments of the Noncontingent Assessment as Security Thereof, and Determining that the Public Interest or Necessity Requires the Refunding of Such Bonds; Granada Sanitary District Sewage Treatment Facility Improvements Integrated Financing District Limited Obligation Refunding Improvement Bonds Series 2003-A Reassessment and Refunding Project.

**Director McGraw moved to approve a resolution of Intention to Refund Improvement Bonds and Levy Reassessments of the Noncontingent Assessment as Security Thereof, and Determining that the Public Interest or Necessity Requires the Refunding of Such bonds: Granada Sanitary District Sewage treatment Facility Improvements Integrated Financing District Limited Obligation refunding**

**Improvements Bonds Series 2003-A Reassessment and Refunding Project. Director Stein seconded.**

**Bond Counsel announced that the change recommended in Agenda item #2 & 3 should also be made in this resolution. Director McGraw amended her previous motion to include the change stated in Agenda Items 2 and 3. The amendment was accepted and seconded by Director Stein. (Res. 2003-008) (McGraw/Stein) Approved 5-0.**

All blanks, including the dollar amounts of the bond, the initial Bond reserve Fund deposit, the recording and maturity dates, etc within this Resolution, and all Resolutions following , as applicable to be complete upon the bond refunding closing date.

6. Consider a Resolution Directing Filing of Integrated Financing District Diagram and recordation of Notice of Reassessment of Noncontingent Assessment and notice of Continuance of Contingent assessment.

**Director Woren moved to approve a resolution Directing Filing of Integrated Financing District Diagram and Recordation of notice of Reassessment of Noncontingent Assessment and notice of Continuance of Contingent Assessment. (Res. 2003-009) (Woren/Stein) Approved 5-0.**

**The final version of res 2003-009 is to be provided to the Board with all blanks filled in.**

7. Consider a Resolution and order Adopting Reassessment Report and Confirming the Reassessment of Noncontingent Assessment.

**Director Stein moved to approve a Resolution and Order Adopting Reassessment Report and Confirming the Reassessment of the Noncontingent Assessment. (Res. 2003-010) (Stein/Woren) Approved 5-0.**

**The Final version of Res. 2003-010 is to be provided to the Board with all blanks filled in.**

8. Consider a Resolution of Acceptance of Proposal Relating to Fiscal Agent Services and Authorizing Fiscal Agency Agreement.

**Director McGraw moved to approve a Resolution of Acceptance of Proposal Relating to Fiscal Agent Services and Authorizing Fiscal Agency Agreement. (Res. 2003-011) (McGraw/Stein) Approved 5-0.**

9. Consider a Resolution Providing for the Issuance of Refunding Bonds.

**Director Stein moved to approve a Resolution for the Issuance of Refunding Bonds. Katherine Koster of O'Connor SWS Securities provided the Board with an explanation of the steps involved during the actual sale of refunding bonds, and answered questions from the Board. President Katke called the question. (Res. 2003-012) (Stein/Pollard) Approved 5-0.**

10. Consider a Resolution Approving Preliminary Official Statement and Form of Continuing Disclosure Certificate.

**Director Stein moved to approve a resolution Approving Preliminary Official Statement and Form of Continuing Disclosure Certificate. (Res. 2003-013) (Stein/Pollard) Approved 5-0.**

11. Consider a Resolution Approving Form of Bond Purchase Agreement and Authorizing Sale of Refunding Bonds and Authorizing Official Statement and Continuing Disclosure Certificate

### **RECONVENE TO OPEN SESSION**

Board President Bill Katke reconvened to Open Session at 7:37 p.m., and announced that there was no reportable action from Closed Session **because approval rests with another party to the negotiations.** Report final Board action, if any, from Closed Session.

### **SPECIAL MEETING ACTION AGENDA**

1. Consideration of entering into a new lease for District office space.

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**Director \_\_\_\_\_ Stein moved to authorize the General Manager to negotiate and have the Board President sign a standard office lease, after review and approval by District Legal Counsel, with David Cresson for suites 201 and 202 (approximately 1015 usable square feet) of the Building (with 25 unreserved parking spaces) located at 504 Avenue Alhambra, El Granada, California for a monthly rent of \$2100 plus operating expenses on a triple net basis, for two years with options to extend (in the exclusive choice of the District) for either one two-year period or two one-year periods.  
(\_\_\_\_\_ Stein/\_\_\_\_\_ Woren) Approved 5-0.**

**Recommendation:** To be made by the General Manager.

### **ADJOURN TO CLOSED SESSION**

1. Conference with Real Property Negotiator (Government Code Section 54956.8) Granada Sanitary District Negotiator: Chuck Duffy.

Negotiating Parties: David Cresson and the Granada Sanitary District  
Nick Damer and the Granada Sanitary District  
Meredith Monica and the Granada Sanitary District

Property for Lease Under Negotiation: Offering bid to lease office space:

504 Plaza Alhambra, El Granada or  
30 Avenue Portola, El Granada or  
455 Avenue Alhambra, El Granada

Granada Sanitary District Board of Directors to instruct the General Manager as to both price and terms of payment for lease of office space.

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**RECONVENE TO OPEN SESSION**

Report final Board action, if any, from Closed Session.

**SPECIAL MEETING ACTION AGENDA**

**Consideration of entering into a new lease for District office space.**

No discussion was held and no action was taken on this item. The board held a general discussion regarding the options presented for the proposed new District office space.

Director \_\_\_\_\_ moved to direct the General Manager to negotiate entering into a new lease agreement with David Cresson for the offices located at 504 Plaza Alhambra as follows:

- 1). District lease of Suite 101 (744 sq. ft.) with 30-day option to add lease of Suite #102 (350 sq. ft.).
- 2). District lease of Suite 201 (1000 sq. ft.).

@ \$\_\_\_\_\_ per sq. ft. ??

**ADJOURN SPECIAL MEETING**

SPECIAL BOARD OF DIRECTORS MEETING  
May 15, 2003 – 6:30 p.m.

**CALL SPECIAL MEETING TO ORDER:**

The Special Meeting of the Board of Directors of the Granada Sanitary District was called to order at 6:35 p.m. by Board President Bill Katke.

**ROLL CALL:**

Attending Directors were: President Bill Katke, Vice President Leonard Woren, Secretary Fran Pollard, Treasurer Laura Stein, and Board Member Shawn McGraw.

Attending Staff were: General Manager Chuck Duffy and Legal Counsel Jonathan Wittwer.

**GENERAL PUBLIC PARTICIPATION:**

There were no speakers from the public.

**ADJOURN TO CLOSED SESSION**

1. **Conference with Real Property Negotiator (Government Code Section 54956.8)**  
**Granada Sanitary District Negotiator: Chuck Duffy.**

Negotiating Parties: David Cresson and the Granada Sanitary District  
Nick Damer and the Granada Sanitary District  
Meredith Monica and the Granada Sanitary District

Property for Lease Under Negotiation: Offering bid to lease office space:

504 Plaza Alhambra, El Granada or  
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2. **Conference with Legal Counsel:**  
**Existing Litigation Govt. Code Subdivision (a) of Section 54956.9 Superior Court of the State of California for the County of San Mateo Complaint: Foreclosure for Delinquent Payment of Assessment(s) Pursuant to Streets and Highways Code Section 8830 et seq.**

Granada Sanitary District	v. D.W. Landers	Case No. 417719
	v. Arthur Settlemyer	Case No. 417711

3. **Evaluation of Performance of District Independent Contractor Engineers Kennedy/Jenks Consultants Inc. (Govt. Code Section 54957(b)(1))**

### **RECONVENE TO OPEN SESSION**

Board President Bill Katke reconvened to Open Session at 7:37 p.m., and announced that there was no reportable action from Closed Session.

### **ADJOURN**

The special meeting was adjourned 7:37 p.m. at 7:38 p.m. until after the Regular Board Meeting and rereconvenedsumed at 10:55 p.m. and was then adjourned at 11:30 p.m.

SUBMITTED BY:

APPROVED BY:

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Chuck Duffy, General Manager

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Fran Pollard, Board Secretary

Date Approved: JunelyAugust 2197, 2003